TRANSFORMATION AND PROBLEMS OF THE SEMI-PUBLIC RAILWAYS IN JAPAN

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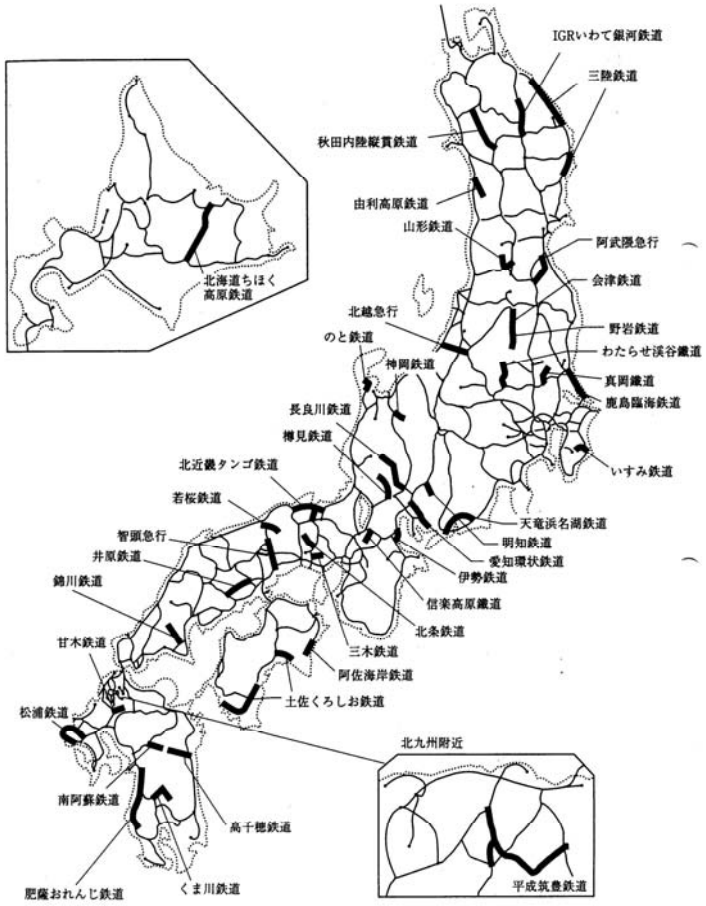
BACKGROUND

The semi-public railways in Japan are one of the joint public-private corporation forms in Japan. Since 1987, when Japan National Railways had been restructured its operations and changed into business corporation and sectionalized into 6 main companies, called JRs, about 40 new semi-public railways have been founded. These railways had taken a turn of the local lines that new JR companies would not afford to manage because of reduced demand. Such semi-public railways were founded by local governments and private companies in relevant areas.

Before 1987, there were 83 lines of JNR in question, whether JNR would continue to manage them or not, and 38 lines of them were turned into semi-public railways and the rest were converted into buss service. Main criterion of 83 lines was that the transport density, number of passengers carried in one day divided by operating kilometer, was under 4,000.

Figure 1: Semi-public railways in Japan (stand April 2005)



ACTUAL SITUATION

In these 20 years, there are many local areas which had been decreased in population, and which had suffered the problem of aging, and which have been hurt by the worsening economy, the semi-public railways seem to be in very serious situations. There had been already 6 lines, which had turned into buss operation, until the end of 2006.

.Number of passengers carried now decreased about 30% from the highest level in the beginning of 1990ies. There are 36 companies from 39 in deficit balance, and there are problems of decrepit infrastructure and aging rolling stock cars.

Table 1: Development of the transport density

	2000	2001	2002	2003	2004
average (index)	1,360 (100)	1,452 □107□	1,325 □97□	1,305 □96□	1,289 (95)

transport density: number of passengers carried in one day divided by operating kilometer

Tabel 2: Development of railway operation revenue (million yen)

	2000	2001	2002	2003	2004
operation revenue (index)	22,175 □100□	21,882 □98.7□	22,037 □99.□□	22,028 □99.3□	21.568 □97.3□

If you will see the P/L statement in detail you will find that there are 22 companies, which operation revenues are less than the variable cost (VC) (TC (total cost) minas (depreciation cost and repair cost)). That means only 15 companies have micro-economic meaning for operation (Table 3).

MANAGEMENT REFORM MEASURE

Of course they have been making efforts to improve the situation. For example, construction of new stations, increase numbers of trains, improves the accommodations, speed-up, expansion of the period of operation time, improve the connections, building the parking lots for P+R and so on.

Or, to promote partnership with the local government and local citizen, they have been holding events, attracting local public facilities to the stations, and so on.

Table 3: Cost and revenue (2004) (million yen)

name of railways	operation revenue	operation cost	of which labour cost	of which repair cost	of which depreciation cost	satisfaction of VC
北海道ちほく高原	197.2	554.4	327.1	73.9	24.9	×
秋田内陸縦貫	186.5	472.6	242.0	123.2	19.0	×
由利高原	84.8	163.7	101.0	20.1	14.1	×
三陸	409.8	549.1	312.3	89.7	10.9	×
山形	202.4	266.3	120.8	55.0	23.9	
阿武隈	813.0	857.2	469.2	97.8	49.8	
会津	449.6	706.2	318.0	122.2	49.3	×
野岩	379.3	512.1	273.9	73.8	15.9	×
北越	3,802.1	2,978.6	588.0	574.3	559.3	
鹿島臨海	1,232.0	1,236.7	781.9	100.1	136.2	
わたらせ渓谷	239.4	445.2	237.9	121.8	4.1	×
真岡	379.1	481.9	218.3	159.1	6.6	
いすみ	92.8	256.0	143.6	70.3	9.0	×
天龍浜名湖	474.9	625.6	363.6	131.5	9.5	×
愛知環状	2,700.3	2,853.2	1,257.9	314.8	605.7	
明知	103.5	136.8	85.2	24.8	2.2	×
長良川	311.5	520.2	313.9	106.2	20.9	×
神岡	36.8	107.1	46.6	14.2	11.0	×
樽見	215.5	311.5	181.5	35.6	21.2	×
のと	427.1	609.7	308.9	110.1	16.7	×
伊勢	508.4	533.3	196.2	45.5	44.3	
信楽	121.8	168.9	99.5	17.5	8.4	×
KTR北近畿タンゴ	1,395.4	1,953.5	763.3	497.0	184.2	
三木	30.6	96.0	56.7	6.8	16.9	×
北条	63.1	104.8	61.9	16.4	1.8	×
智頭急行	3,178.7	2,643.3	512.6	767.5	610.5	
若桜	95.6	134.0	64.1	36.1	0.2	×
井原	343.5	474.6	272.2	49.6	17.5	×
錦川	115.0	140.5	90.6	15.9	4.0	×
土佐くろしお	1,134.6	1,300.3	507.2	246.2	106.1	
阿佐海岸	15.4	74.1	54.1	4.9	1.0	×
平成筑豊	337.7	409.4	218.9	78.4	13.2	
甘木	227.9	232.4	139.2	27.9	20.0	
松浦	841.9	861.5	378.5	259.2	37.3	
南阿蘇	73.8	96.1	54.4	16.9	1.9	×
高千穂	179.7	243.5	126.7	61.1	9.1	
くま川	164.3	205.5	113.1	45.0	8.3	

PROBLEMS

Local socio-economic circumstances

As has been the pattern there are socio-economic problems like, decrease in population, aging society, economic backset, financial problems in local government. Recently the fuel price rise suddenly, decrease in traffic volume because of climatic aberration.

Decreasing the number of human resource from JRs.

Structural defect of semi-public companies

Not only local governments but also the national government has been supporting these railways, but subsidies seem to have no effect. (Stabilization fund system).

Furthermore, the system of semi-public company doesn't seem to work at all. In many semi-public railways companies, the president is the mayor or governor of the government along the railway line. That means none of them had the experience of railway operation. And they are also in charge of determining the financial support for these railways.

Now national government settled new policy for supporting such a local railways, using the separation of infrastructure and operation.

In workshop I would like to show the present situation of local small railways in Japan and the problem of public transport policy in Japan in more detail.